

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

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TO AMEMBASSY ROME IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

INFO USMISSION OECD PARIS PRIORITY

USMISSION GENEVA PRIORITY

AMEMBASSY BONN PRIORITY

LIMITED OFFICIAL USE STATE 167828

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SUBJECT: COUNTERVAILING DUTIES: FLOAT GLASS

REFS: (A) STATE 154215, (B) STATE 166313

1. TREASURY SUBMITTED QUESTIONNAIRES ON FLOAT GLASS TO

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ITALIAN AND BELGIAN EMBASSIES JULY 16. AS MENTIONED IN
REFTELS, TREASURY WILL REVIEW SUPPLEMENTAL INFORMATION
AND IS PREPARED TO AMEND PRELIMINARY DETERMINATION OF
BOUNTIES OR GRANTS IF WARRANTED BY NEW DATA SUPPLIED IN

RESPONSE TO QUESTIONS.

2. TEXTS OF LETTER AND QUESTIONNAIRE TO ITALIAN EMBASSY
ARE AS FOLLOWS:

BEGIN TEXT:

DEAR MR. MINISTER:

I AM ENCLOSING A LIST OF QUESTIONS WITH REGARD TO THE
COUNTERVAILING DUTY INVESTIGATION INVOLVING IMPORTS OF
FLOAT GLASS FROM ITALY. YOU WILL RECALL THAT A SIMILAR
LIST WAS FORWARDED TO YOU IN MAY. THE ATTACHED LIST

SHOULD INCORPORATE ALL OF THE AREAS WHERE INFORMATION IS
REQUIRED.

YOU WILL NOTE THAT WE ARE REQUESTING PRODUCTION AND
EXPORT STATISTICS ON A FIRM BY FIRM BASIS. WE ARE ASKING
IT IN THIS FORM BECAUSE IT IS THE ONLY METHOD TO ACCURATE-
LY WEIGH ANY BENEFITS FOR EACH FACILITY, THUS AVOIDING THE
POTENTIAL FOR PENALIZING SOME FIRMS AT THE EXPENSE OF
OTHERS.

PLEASE DO NOT HESITATE TO CONTACT ME IF YOU HAVE ANY
QUESTIONS WITH REGARD TO THIS MATTER.

SINCERELY YOURS,

PETER O. SUCHMAN
DEPUTY ASSISTANT SECRETARY
(TARIFF AFFAIRS)

QUESTIONNAIRE

FLOAT GLASS FROM ITALY

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THE FOLLOWING INFORMATION IS REQUESTED FOR THE GLASS
FACILITIES LOCATED IN CAMPANIA (FABBRICA PISANA), CANEO
(VENERIA DIVERNANTE), AND SAN SALVO (SOCIETA ITALIANA
VETRO):

(1) WHAT ARE THE CRITERIA FOR QUALIFYING FOR PROGRAMS
AVAILABLE THROUGHOUT ITALY THAT PROVIDE FOR LOW-INTEREST
RATE FINANCING FOR CONSTRUCTION AND EXPANSION OF
INDUSTRIAL FACILITIES?

(A) HAVE ANY OF THE ABOVE-MENTIONED FACILITIES RECEIVED
LOW-INTEREST RATE LOANS PURSUANT TO THESE PROGRAMS IN THE

LAST TEN YEARS?

(B) IF SO, INDICATE THE AMOUNT OF THE LOAN AND ITS PURPOSE, THE TERMS OF THE LOAN, AND THE AVAILABLE INTEREST RATE FOR SIMILAR ISSUES IN COMMERCIAL MARKETS.

(2) WHAT ARE THE CRITERIA, I.E., THE OBLIGATIONS INCURRED BY THE QUALIFYING COMPANY, FOR RECEIVING THE VARIOUS BENEFITS UNDER THE PROGRAMS ADMINISTERED BY THE CASSA PER IL MEZZOGIORNO?

(3) IN SITUATIONS WHERE THE ABOVE-MENTIONED FACILITIES ACTUALLY RECEIVED BENEFITS, EXPLAIN THE BASIS ON WHICH THE PARTICULAR FACILITY MET THE CRITERIA SPECIFIED UNDER THE LAW.

(4) FOR ANY ASSISTANCE (I.E., GRANTS) RENDERED TO THE FLOAT GLASS FACILITIES IN THE LAST TEN YEARS UNDER THE MEZZOGIORNO PROGRAM, OR THAT IS PLANNING TO BE MADE, INDICATE:

(A) THE VALUE OF THE ASSISTANCE;

(B) THE PURPOSE OF THE ASSISTANCE;

(C) THE TIME OF BESTOWAL OF THE ASSISTANCE; AND

(D) PAYMENT PERIODS FOR THE RECEIPT OF THE ASSISTANCE.

(5) FOR ANY LOANS MADE UNDER THE MEZZOGIORNO PROGRAM
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DURING THE LAST TEN YEARS, OR THAT ARE PLANNING TO BE MADE, INDICATE:

(A) THE AMOUNT OF THE LOAN AND ITS INTENDED PURPOSE;

(B) THE TERMS OF THE LOAN; AND

(C) THE AVAILABLE INTEREST RATE FOR SIMILAR ISSUES IN COMMERCIAL MARKETS.

(6) DO THE FLOAT GLASS FACILITIES IN THE MEZZOGIORNO REGION PAY A LOWER RATE ON THE VALUE ADDED TAX THAN IS NORMALLY ASSESSED? IF SO, WHAT IS THE RATE ASSESSED COMPARED TO THE REGULAR RATE?

(7) HAVE THE FLOAT GLASS FACILITIES IN THE MEZZOGIORNO RECEIVED REDUCED FEDERAL AND LOCAL INCOME TAX RATES? IF SO, INDICATE THE TAX ASSESSED AGAINST WHAT WOULD HAVE BEEN THE NORMAL AMOUNT.

(8) HAVE THE FLOAT GLASS FACILITIES BENEFITED FROM THE TAX PROVISION ALLOWING FOR A REDUCTION IN INCOME TAX WHEN EARNINGS ARE INVESTED IN CONSTRUCTION OR EXTENSION OF NEW FACILITIES? IF SO, PROVIDE DETAILS OF ANY BENEFITS THEREFROM.

(9) HAVE THE FLOAT GLASS FACILITIES IN THE MEZZOGIORNO TAKEN ADVANTAGE OF THE PROGRAM PROVIDING FOR REDUCED CONTRIBUTIONS TO THE STATE-RUN WELFARE ORGANIZATION? IF SO, SPECIFY THE TOTAL REDUCTIONS RECEIVED FROM THIS PROGRAM.

(10) DO THE FLOAT GLASS FACILITIES IN QUESTION RECEIVE REDUCED FREIGHT RATES IN THE FORM OF REBATES FOR THE TRANSPORTATION OF PURCHASES BY THEM OR SHIPMENTS OUT OF FACTORY? PROVIDE DETAILS AS TO THE BENEFITS FROM THIS PROGRAM PER COMPANY IF UTILIZED.

(11) PRODUCTION INFORMATION FOR EACH FACILITY FOR THE LAST THREE COMPANY FISCAL YEARS:
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(A) TOTAL ANNUAL PRODUCTION IN QUANTITY AND VALUE;
(B) TOTAL QUANTITY AND VALUE EXPORTED;
(C) QUANTITY AND VALUE EXPORTED TO OTHER EC COUNTRIES;
AND
(D) QUANTITY AND VALUE EXPORTED TO U.S.

FOR LINES OR FACILITIES NOT YET IN OPERATION, PROVIDE ESTIMATED ANNUAL PRODUCTION.

(12) WHAT IS THE EX FACTORY UNIT COST FOR SALES OF SIMILAR QUANTITIES AND QUALITIES OF FLOAT GLASS IN ITALY, SALES TO OTHER EC COUNTRIES, AND SALES TO THE UNITED STATES.

END TEXT.

3. TEXT OF LETTER AND QUESTIONNAIRE TO BELGIAN EMBASSY ARE AS FOLLOWS:

BEGIN TEXT:

DEAR MR. MASSA:

I AM ENCLOSING A SET OF QUESTIONS WITH REGARD TO THE COUNTERVAILING DUTY INVESTIGATION OF FLOAT GLASS IMPORTS

TO THE UNITED STATES FROM BELGIUM. WHILE WE ARE MOST APPRECIATIVE OF THE INFORMATION YOUR GOVERNMENT HAS SUBMITTED, RELATING TO THIS INVESTIGATION, WE FOUND THAT IT WAS INCOMPLETE AND TOO GENERAL IN SCOPE TO ENABLE THE TREASURY TO MAKE A PRECISE DECISION AS TO HOW THE VARIOUS BELGIAN PROGRAMS MAY IMPACT EXPORTS OF FLOAT GLASS.

THE ATTACHED LIST OF QUESTIONS REQUESTS PRODUCTION AND EXPORT STATISTICS ON A FIRM BY FIRM BASIS IN ORDER TO ENABLE THE TREASURY TO ACCURATELY WEIGH THE BENEFITS FOR EACH FACILITY. ANSWERS TO THESE QUESTIONS WOULD ALLOW US TO COMPLETE OUR INVESTIGATION OF THIS MATTER.

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PLEASE DO NOT HESITATE TO CONTACT ME IF YOU HAVE ANY QUESTIONS WITH REGARD TO THIS MATTER.

SINCERELY YOURS,

RICHARD B. SELF
OFFICE OF TARIFF AFFAIRS

QUESTIONNAIRE

BELGIAN FLOAT GLASS

THE FOLLOWING INFORMATION IS REQUESTED FOR THE GLASS FACILITIES AT AUVELAIS (ST. ROCH) AND AT MOUSTIER (BSN):

(1) WHAT ARE THE CRITERIA FOR QUALIFYING FOR THE INDIVIDUAL AIDS PURSUANT TO THE LAW OF DECEMBER 30, 1970, CONCERNING ECONOMIC DEVELOPMENT?

(2) IN SITUATIONS WHERE THE ABOVE MENTIONED FACILITIES ACTUALLY RECEIVED BENEFITS, EXPLAIN THE BASIS ON WHICH THE PARTICULAR FACILITY MET THE CRITERIA SPECIFIED UNDER THE LAW. INDICATE WHERE A FACILITY WOULD QUALIFY UNDER THE TERMS OF THE PROGRAM EVEN THOUGH IT HAS NOT DERIVED ANY BENEFITS.

(3) FOR ANY LOANS MADE PURSUANT TO THE 1970 DECREE DURING THE PAST TEN YEARS (THE 1970 DECREE INCORPORATED EARLIER STATUTES), OR THAT ARE PLANNING TO BE MADE, INDICATE:

(A) THE AMOUNT OF THE LOAN AND ITS INTENDED PURPOSE;

(B) THE TERMS OF THE LOAN (INTEREST RATE AND REPAYMENT PERIOD);

(C) THE AVAILABLE INTEREST RATE FOR SIMILAR ISSUES IN

COMMERCIAL MARKETS.

(4) UNDER THE PROVISION OF THE 1970 LAW PROVIDING FOR
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ACCELERATED DEPRECIATION OF PLANT AND MACHINERY,
INDICATE;

(A) THE DEPRECIATION SCHEDULES PROVIDED UNDER THE LAW;

(B) THE NORMAL DEPRECIATION SCHEDULES FOR PLANT AND
MACHINERY IN BELGIUM.

(C) THE DEPRECIATION RATE BEING TAKEN FOR THE BELGIAN
FLOAT GLASS FACILITIES.

(5) DO THE FACILITIES AT AUVELAIS AND MOUSTIER BENEFIT
FROM REDUCED REAL ESTATE TAXES? WHAT IS THE RATE
APPLICABLE COMPARED TO THE NORMAL TAX AND WHAT ARE THE
ANNUAL SAVINGS DERIVED FROM THE REDUCED RATE?

(6) HAVE THE FLOAT GLASS FACILITIES QUALIFIED FOR ANY
OF THE PROVISIONS OF THE LAW AS OUTLINED IN THE ATTACHED
ANNEX?

(7) HAVE ANY OF THE FACILITIES BEEN AUTHORIZED GRANTS IN
CONNECTION WITH THE TRANSFER OF ADMINISTRATIVE OR OTHER
OFFICES FROM ONE GEOGRAPHIC REGION TO ANOTHER?

(8) PRODUCTION INFORMATION FOR EACH FACILITY FOR THE
LAST THREE COMPANY FISCAL YEARS:

(A) TOTAL ANNUAL PRODUCTION IN QUANTITY AND VALUE;

(B) TOTAL QUANTITY AND VALUE EXPORTED;

(C) QUANTITY AND VALUE EXPORTED TO OTHER EC COUNTRIES;

(D) QUANTITY AND VALUE EXPORTED TO U.S.

FOR LINES OR FACILITIES NOT YET IN OPERATION, PROVIDE
ESTIMATED ANNUAL PRODUCTION AND CAPACITY.

(9) WHAT IS THE EX FACTORY UNIT COST FOR SALES OF
SIMILAR QUANTITIES AND QUALITIES OF FLOAT GLASS IN
BELGIUM, SALES TO OTHER EC COUNTRIES, AND SALES TO THE
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UNITED STATES.

ANNEX

- (A) HAVE THE FACILITIES EVER QUALIFIED FOR EXEMPTION FROM THE PAYMENT OF A REGISTRATION FEE OF NEW OR INCREASED ASSETS?
- (B) HAVE THE FACILITIES EVER QUALIFIED FOR THE EXEMPTION FROM INCOME TAX OF CAPITAL GAINS WHICH ARE REINVESTED IN THE DEVELOPMENT AREA DURING A SPECIFIED PERIOD OF TIME?
- (C) ARE THE PREMIUM AND INTEREST RATE BENEFITS AS PROVIDED IN THE 1970 LAW EXEMPT FROM INCOME TAX?
- (D) HAVE THE FACILITIES RECEIVED EMPLOYMENT PREMIUMS UNDER THE 1970 LAW AS THE RESULT OF JOB-CREATING INVESTMENTS?
- (E) HAVE THE FACILITIES RECEIVED EXEMPTION FROM THE PAYMENT OF PROVINCIAL AND MUNICIPAL TAXES ON THE LABOR FORCE DURING THE FIRST FIVE YEARS OF OPERATION?

END TEXT. KISSINGER

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<< END OF DOCUMENT >>

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